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OCR
RECOGNISING ACHIEVEMENT

ADVANCED SUBSIDIARY GCE
BUSINESS STUDIES
Unit 1: An Introduction to Business

F291

SPECIMEN 2009

Candidates answer on the question paper

OCR Supplied Materials:
None

Other Materials Required:
- Calculators may be used

Duration: 1 hour

Candidate Forename		Candidate Surname	

Centre Number						Candidate Number				

INSTRUCTIONS TO CANDIDATES

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do **not** write in the bar codes.
- Write your answer to each question in the space provided, however additional paper may be used if necessary.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets **[ ]** at the end of each question or part question.
- The total number of marks for this paper is **60**.
- The quality of your written communication will be taken into account in marking your answer to the question labelled with an asterisk (*).
- This document consists of **12** pages. Any blank pages are indicated.

A calculator may be used for this paper

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Fig. 1

Marks and Spencer plc sees strong rise in profits

The retail business Marks and Spencer plc (M&S plc) has seen profit increase by 19.6% from £257.8m. The company warned the trading environment remained difficult and said it was looking ahead to the important Christmas trading period. Overall, UK sales were down by 0.2%, but international sales rose 8.6%. Last month M&S plc reported its first quarterly sales rise in two years under a revival plan launched by Chief Executive Stuart Rose. He indicated that while the company had a large market share the priority has been to get the product right and then to get the stores modernised. Overall, sales rose to £3.65bn in the 26 weeks to 1 October. The firm is to accelerate its store improvement programme next year, as part of its continuing revival plan. A sum of £500m has been set aside to pay for these improvements to its 416 stores.

Adapted from: http://news.bbc.co.uk/ 8 November 2005

Fig. 2

Store deal expands Marks and Spencer plc food chain

M&S plc is to expand its chain of 171 Simply Food outlets. It is seeking further expansion of this popular and profitable chain. Stuart Rose said he wanted to add 100 Simply Food stores over the next two years.

Adapted from: http://news.bbc.co.uk/ 17 January 2006

Fig. 3

Marks and Spencer plc set to launch Fairtrade range

M&S plc is launching a Fairtrade cotton clothing range as part of its move towards ethical trading. Advertisements will also highlight moves to cut salt and fat in M&S plc foods, recycle packaging and protect animal welfare. Research by the Fairtrade Foundation shows sales of ethical products have increased dramatically in recent years.

Meanwhile research by M&S plc showed almost a third of shoppers are concerned about the origins of their clothes and food. M&S plc is building on its innovative work in areas such as sustainable fishing, reducing fats, salts and additives in food, improving factory working conditions and banning harmful chemicals from children's clothing.

Limited stock of Fairtrade cotton means that initially, the new M&S plc range will only consist of T-shirts and socks and be stocked in just 40 stores. This would be expanded when more supplies of Fairtrade cotton became available and if there was sufficient demand.

Adapted from: http://news.bbc.co.uk/ 30 January 2006

Fig. 4

Marks and Spencer plc asks suppliers for price cuts

M&S plc has asked all of its suppliers for cuts of up to 10% on the price it pays for goods as suppliers are gaining from rising sales and better cash flows. Around 90% of the retailer's suppliers are based overseas, mostly in the Far East, Asia and Europe. These price cuts will help M&S plc pay for its store improvements.

Adapted from: http://news.bbc.co.uk/ 3 March 2006

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Answer **all** questions.

1 Identify **three** stakeholders of Marks and Spencer plc (M&S plc).

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..... **[3]**

2 Analyse **two** methods M&S plc could have used to carry out its research on ethical trading.

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3 **(a)** State **three** features of a public limited company such as M&S.

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(b)* Evaluate possible sources of finance that M&S plc could use for the refurbishment of its stores.

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4 **(a)** Identify **two** ways to assess the size of M&S plc.

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(b)* Analyse the implications for M&S plc of its planned rapid expansion of the Simply Food outlets.

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5 **(a)** Explain **two** corporate objectives M&S plc might have.

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(b)* Discuss why the corporate objectives of M&S plc may change over time.

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